

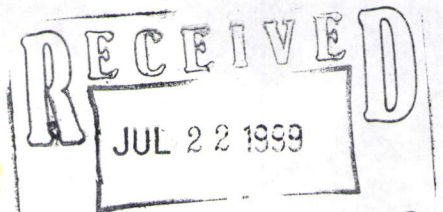
BLACK KNIGHT

# **SURFACE EXAMINATION REPORT**

Field file 47718

DOGM File # S/015/080

S/015/078



Date of Inspection: June 28, 1999

Persons Present: Will Stokes, Dan Sheppard and Dan W. Guy

Conditions: Hot and Sunny

Lands: Within the SE¼, Section 16, T. 17 S., R. 14 E., SLB&M (See Attached Map)

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The purpose of the site inspection was to document conditions of the leased lands prior to approval of the Notice of Intent ("NOI") to Commence Mining (small mine) submitted by the lessee, Gold Terra Inc.

Access to the area of interest is via a well maintained dirt road that leaves Highway 6 in a easterly direction approximately 2.5 miles north of the town of Woodside. One must pass through a barbed wire gate east of Highway 6 to begin travel on the main dirt road. For approximately 0.1 miles the dirt road parallels the paved highway in a north-northwest direction and then turns in a more north-northeast direction. The main dirt road used to access the proposed mine site is well maintained and shows evidence of continued mechanized maintenance (Photo #'s 1, 2, 3, & 4). Travel on this road for approximately 2.7 miles brings one to the south rim of a relatively deep arroyo. A lesser traveled road leaves the main dirt road and traversed down the south side of the arroyo bank and terminates at a small earthen water retention dam (Photo # 5). If one were to continue on the main dirt road it would terminate in another 0.5 miles at an old livestock loading ramp (Photo # 6). From the small retention dam the lessee plans to construct a new road that will access the mine site approximately 0.1 of a mile further west. Map # 1 of this report is taken from the lessee's NOI and depicts the access route to the mine site from Highway 6.

The mine site consists of a small, inconspicuous, Mancos Shale hill that is almost entirely devoid of vegetation (Photo # 7). The lessee plans to mine and remove only the upper portion of the hill leaving the northern part of the hill in relief. At the time of this inspection the road from the main access road to the mine site had not been constructed and there was no evidence of prior surface disturbance.

Accompanying this report is a map of the access route to the mine site and several captioned photographs depicting various feature discussed.

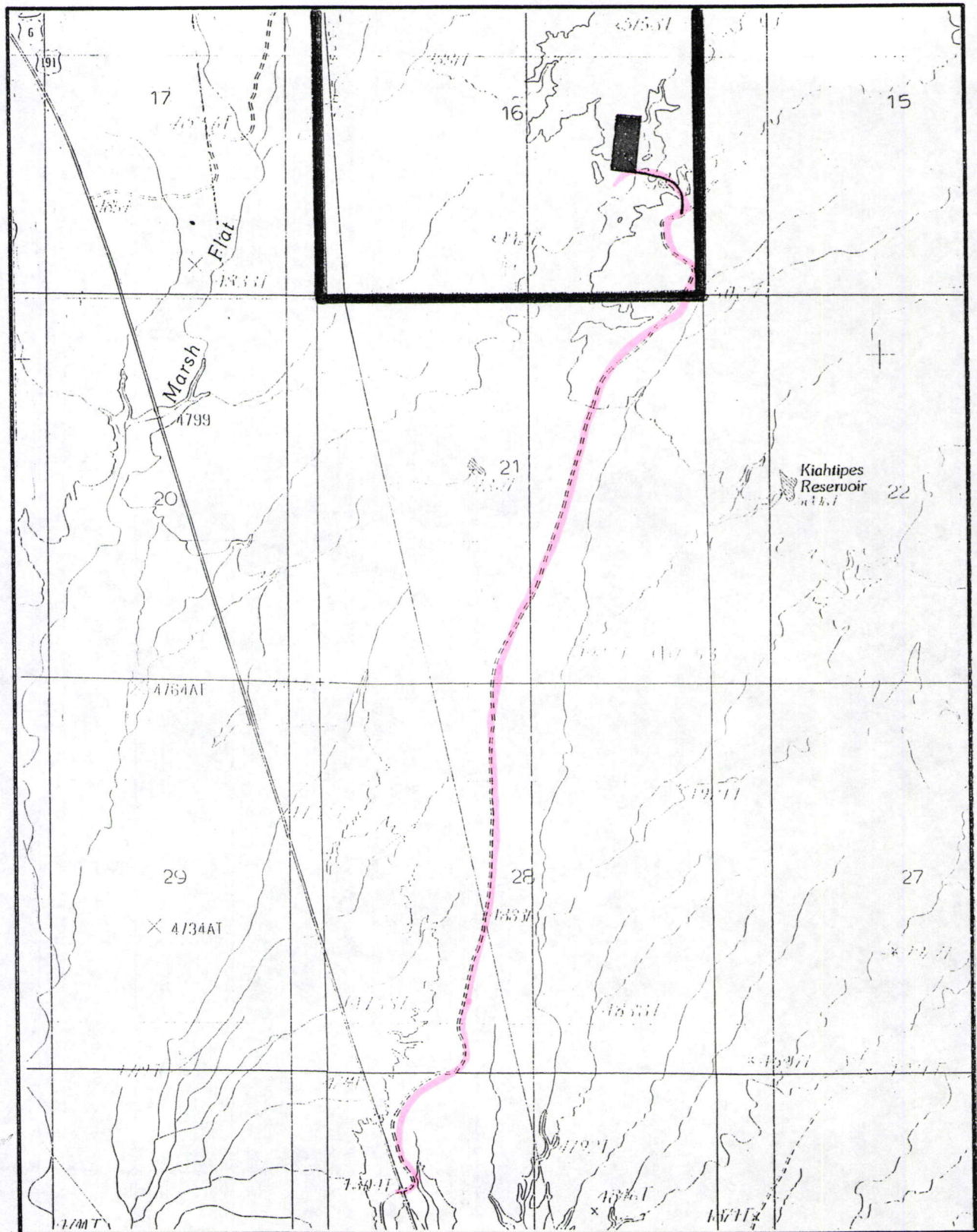


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T179 R14E  
SE 1/4 SEC 16

# BLACK KNIGHT MINESITE

USGS MAP



Map 1

FIGURE 2



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Photo # 1, This photo is taken near the center of section 28 and is looking southwest along main access road to the proposed mine site. Note evidence of mechanized road maintenance. Also note the power poles and their relative position to the road as depicted on the accompanying map.



Photo # 2, Taken at the same location as photo # 1 but looking in the opposite direction (northeast). Note evidence of mechanized maintenance.



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Photo # 3, Looking south along another section of the mine site access road. This photo was taken near the place where the road passes under the power line. Note the berm on either side of the road as evidence of mechanized maintenance.



Photo # 4, Looking southwest where the access road passes near the southeast corner of section 16.



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Photo # 5, Looking south onto a small water retention dam which is defined by the line of shrubs. The road descending the ridge is a small secondary road which terminates at the water retention dam.



Photo # 6, The main access road passes the proposed mine site road and terminates at this old cattle loading ramp. Looking south east. The arrow shows the location of Kiahtiper Reservoir.



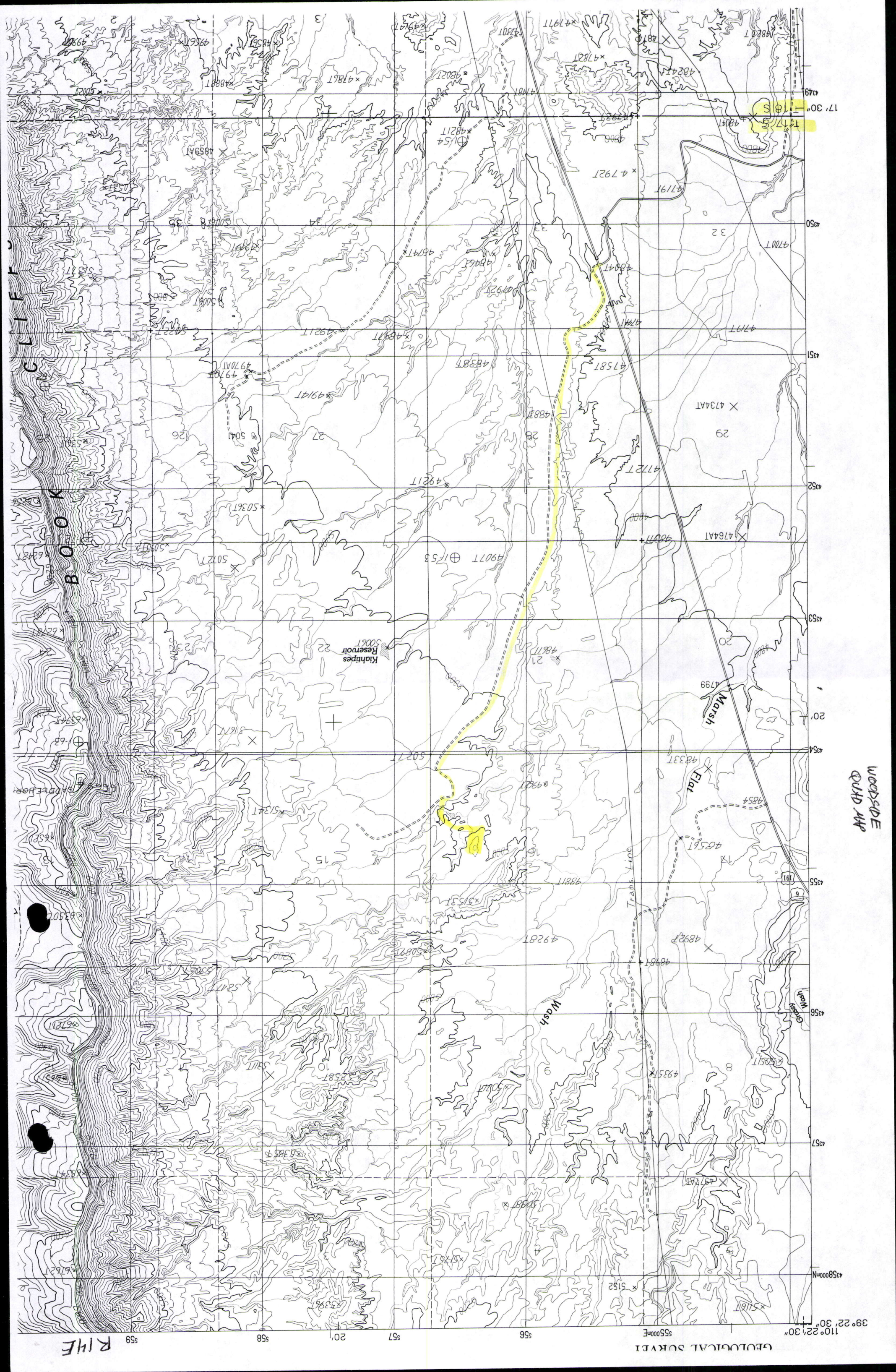
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Photo # 7, Panoramic photograph of the Mancos Shale hill that Gold Terra intends to mine. Looking northwest from the top of the hill which is northwest of the water retention dam as shown in photo # 5. The access road to the mine site has been identified by the lessee using flagged lath and will access the mine site from the south. The access road is not show in this photograph but will enter the mine site on the left of this photo. The dashed line represents the approximate boundary of the proposed mine site.





WOODSIDE  
OLD MAP

RIVE

GEOLOGICAL SURVEY

559

558

557

556

555000mE

110° 22' 30"

39° 22' 30"



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BLACK KNIGHT ALICE

SE 1/4 SEC 16 T17S R14E

AL 477718

WOODSIDE QUAD 44P